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RETIREMENT INFORMATION GUIDE

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National Aeronautics and Space Administration
Lewis Research Center
Personnel Division
Employee Relations Section

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Forward

This Guide has been prepared to supplement the Office of Personnel Management Pamphlet 18, "Your Retirement System". (Pamphlet 18 includes material in a question and answer form on our civil service retirement system. Copies can be obtained from the Employee Relations Section.) The purpose of the Guide is to:

- provide additional information on the coverage and benefits of the retirement system
- explain procedural requirements relating to retirement
- provide basic information on closely related subjects such as taxes and Social Security benefits.
- identify other sources of information concerning retirement planning and benefits

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SECTION 1

ELIGIBILITY FOR RETIREMENT

The Federal retirement system permits retirement under a number of different conditions. As with other retirement systems, a full annuity is earned by meeting a specific combination of age and length-of-service requirements. However, based on health problems, agency manpower restrictions, or personal considerations, under certain conditions the system provides for retirement at reduced annuities with lesser periods of service. The several types of retirements and eligibility requirements are discussed below:

Optional (Voluntary) Retirement

Employees can elect to retire voluntarily if they meet the following age and service requirements:

Age	Service*	
50	20	(Firefighters only)
55	30	
60	20	
62	5	

*must have included at least 5 years Federal civilian service.
(Firefighters must have had at least 20 years in the firefighting field.)

Early Retirement

Under the conditions outlined in the following paragraphs an individual may elect to retire and receive an annuity immediately:

(a) Discontinued Service Retirement. Employees who are involuntarily separated, other than separation for cause for misconduct, are entitled to a discontinued

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service retirement annuity if they meet the age and/or service requirements for early retirement. To establish eligibility for discontinued service retirement, it is not always necessary that an actual separation be directed. For example, resignation in lieu of accepting an offer of reassignment or demotion also may provide the basis for discontinued service retirement. Questions as to eligibility for discontinued service retirement should be directed to the Employee Relations Section.

(b) Voluntary (Major RIF) Retirement. When an agency is in a major RIF situation, with the approval of the Office of Personnel Management, it may be able to offer early retirement to eligible employees in the agency in order to alleviate the impact of the RIF. When this type of retirement is offered, any employee who meets the age and service requirements for early retirement may elect to retire.

To be eligible for either of the two types of early retirement, you must be age 50 and have 20 years of service, or have at least 25 years of service if under age 50. Employees who retire before age 55 will have their annuity reduced by 1/6th of 1% for each full month they are under age 55 (2% per year). For example, if you retire at age 50, and your full annuity based on your length of service and high-three years average salary is $10,000, your annuity reduced for age would be 10% less, or $9,000. The reduction based on age remains in effect for the entire period the annuity is paid.

Disability Retirement

To be eligible for disability retirement, an employee must have at least 5 years of Federal civilian service and must be incapable, because of disease or injury, of satisfactor-

ily and efficiently performing the duties of their present or similar position (the applicant need not prove disability for all kinds of work). The disability must be of a permanent or indefinite character, not of an expected short duration. It may not be due to vicious habits, intemperance, or willful misconduct on the part of the applicant within the 5 years immediately before becoming disabled. Note that you need not show that the conditions of employment caused the disability. It is important to understand that few conditions are disabling in themselves - it is the requirements of the position that determine whether a particular physical or mental condition is disabling.

If you and your physician feel that your condition is such that disability retirement should be considered, you should discuss the matter with a member of the Employee Relations Section. They will provide an estimate of your annuity and advise you as to the procedures to follow in applying for disability retirement. The following information will be required:

a) a statement from your supervisor which identifies your duties and how your condition is affecting the performance of those duties;

b) a certification by the Center's Coordinator of the Physically Handicapped that there is no reassignment possibility within this Center which would accommodate your limitation;

c) a statement by your physician outlining the diagnosis and prognosis of your illness;

d) any pertinent medical records.

The Bureau of Retirement will make the decision to approve or disapprove a disability retirement based upon the above information as well as any supplemental information they may request. Experience has shown that it takes about 5 to 8 weeks for a written decision to be rendered after we

submit the forms. If the disability retirement is approved, the individual is entitled to remain on the rolls until all earned sick leave has been used. If the employee has been on leave without pay pending approval of the retirement application, the annuity will be retroactive to the first date in a continuous non-pay status.

If you retire due to a disability, you are guaranteed a minimum annuity which is the lesser amount of: a) 40% of your high-three average pay, or b) your regular annuity computed by extending your service time to your 60th birthday. If your earned annuity, based on actual service, is greater than the guaranteed minimum annuity, you would receive the larger amount.

Under current law, a disability annuity will be discontinued if: a) the annuitant, in two successive years, earns 80% of the current rate for the grade and step last held, or b) based upon further medical examinations it is determined that the employee has recovered. The Office of Personnel Management may require such examinations on a yearly basis to age 60.

Deferred Retirement

If you leave the government after at least 5 years of civilian service, but before you are eligible for an immediate annuity, you have the choice of leaving your money in the Retirement Fund and receiving a deferred annuity beginning at age 62, or withdrawing your retirement contributions and waiving your future annuity rights. If you elect to leave your money in the system and do not return to a position under the retirement system, your annuity at age 62 will be based on your years of creditable service, and the high-three year average salary you established before you resigned. No credit is given for unused sick leave in calculating a deferred annuity.

SECTION 2

FACTORS AFFECTING YOUR ANNUITY

Annuities

Assuming you meet the minimum qualifications for retirement, there are several basic factors which may affect the amount of your annuity. They are the:

- type of annuity chosen
- length of creditable service
- amount of accumulated sick leave
- high-three years of salary
- unpaid deposit and/or redeposit
- voluntary contribution to the retirement system

Type of Annuity

The retirement system provides options for each retiree in the type of annuity he/she may elect. Married employees can choose either an annuity which will provide an annuity for the survivor spouse, or an annuity which will terminate upon the death of the annuitant. In the annuity with survivor benefit, the retiring employee's earned annuity is reduced in order to provide for an annuity for the surviving spouse. The annuity is determined as follows:

a) the full earned annuity based upon the length of service and salary is first calculated;

b) the amount of reduction to provide the survivor benefit is then determined. The employee chooses a "base" survivor annuity up to the full amount of the earned annuity. The reduction for survivor benefit is 2½% of the first $3600 of the "base" figure, plus 10% of the amount exceeding $3600;

c) the reduction is subtracted from the full annuity and the result, which is called the "reduced annuity",

becomes the effective annuity for the retiree. Upon the annuitant's death, the surviving spouse will receive an amount equal to 55% of the base annuity i.e., the figure on which the reduction was based. This amount, with cost of living adjustments, would continue for the lifetime of the survivor unless he or she were to remarry before the age of 60.

The alternative is to elect an annuity without survivor benefit. As the name implies, the annuitant would receive the full annuity but upon the annuitant's death, the spouse would receive no further payment from the retirement system (see Section 5 - Death Benefits).

Single individuals in good health also have a choice. As an alternative to a full annuity, they can elect to provide an annuity for an individual who, "has a reasonable expectancy of pecuniary benefit in the continuance of the life of the employee". This is called an annuity with survivor benefit to named person having an insurable interest. In essence, the retiring employee's annuity is reduced in proportion to the difference in age between the employee and the survivor; the greater the age difference the greater the reduction.

Creditable Service

Length of creditable service is one of the two basic elements used in the calculation of annuities. Both civilian and military time, as explained in this section, are creditable. Your length of creditable service is reflected in the service computation date (SCD) which is part of your official personnel record and appears on each of your "Notification of Personnel Action" (SF-50) copies, i.e., the form you receive when you change jobs, are promoted, etc.

(a) Civilian Service. All employment under either tem-

porary or permanent appointments in the Federal government is creditable service. Creditable service also includes time spent on non-paid leave as long as you were carried on the agency's roles and it did not exceed six months in any one calendar year. Any period where there was a break in service (the time exceeding 3 days in which you were not carried on an agency's rolls), or the time in excess of 6 months per calendar year in a non-pay status, is not creditable and your service computation date (SCD) is adjusted accordingly. (This adjustment does not apply to leave without pay where you are receiving workers' compensation benefits.)

(b) Military Service. As a general rule, military service is creditable provided it was active service, was terminated under honorable conditions, and was performed before separation from a civilian position under the retirement system. Military service includes service in the Army, Navy, Air Force, Marine Corps, Coast Guard, the service academies, the Regular or Reserve Corps of the Public Health Service if performed after June 30, 1960, and service as a commissioned officer of the Coast and Geodetic Survey if performed after June 30, 1961. National Guard duty is creditable only while on active duty for training (2 week summer training, for example, not weekly meetings) or when the Guard is activated by a call from the President. Active service begins on the date an individual enters on active duty and ends on the date of discharge. Dual credit may not be given for military and civilian service which covers the same time period.

Military service is not creditable if you are

receiving military retired pay unless:

(1) it was awarded on account of a service connected disability incurred in combat with an enemy of the United States or caused by an instrumentality of war during a period of war, or,

(2) it was awarded under the provisions of Chapter 67 of Title 10, United States Code (having to do with retirement from a reserve component of the armed forces), or,

(3) you elect to waive your military retired pay in order to have the period of service represented by the retired pay added to your civilian service in the annuity computation. Questions regarding the waiver procedure should be directed to the Employee Relations Section.

Beginning January 1, 1957 military personnel were brought under the Social Security Act and thereafter were covered by provisions of that system. All military service performed before January 1, 1957 is creditable in computing civil service retirements. Credit may be given for military service performed on or after January 1, 1957, only if you are not eligible for Social Security old age benefits. Generally, when you retire, all active military service will be credited toward your civil service retirement; however, if you are eligible for Social Security benefits when you reach age 62, any military service acquired after January 1, 1957 will be excluded from your service credit and your civil service retirement annuity will be recomputed.

Unused Sick Leave

Unused sick leave is added to your actual service time to

arrive at your total creditable service--the service figure used in the computation of your annuity. Sick leave is not used to determine basic eligibility for retirement nor is it used in the computation of the high-three average salary.

In crediting sick leave, the OPM recognizes that a calendar month typically includes eight non-work days. Consequently, one month of credit is given for each 22 days of sick leave accumulated. The excess days, if any, are added to any excess actual service days and any fractional part of a month is dropped. The years and months resulting are used in the annuity computation.

Example	Yr	Mo	Da
Retirement date	79	01	13
Service Computation Date (SCD)	45	07	16
Actual Service	33	05	28
Sick Leave		03	01
Total Creditable Service	33	08	29

In this example, the annuity would be computed based upon 33 years 8 months. In order to be credited with 33 years 9 months, this individual would have to work one extra day or have accumulated 8 additional hours of sick leave.

High-Three Salary

The second factor in annuity computation is the high-three salary average. In applying the pay portion of the annuity formula, the three consecutive years in which you earned the highest basic rate of pay are determined. The high-three salary average is then computed by multiplying the number of days you were in each pay rate by the annual rate and dividing the cumulative result by three.

Basic pay rate is defined as that rate of pay set by law. It includes shift differential for WG employees and hazard

differential but excludes overtime and holiday pay. The three-year period on which the high-three salary average is based must be consecutive; it need not start at the beginning of any month or on the date of a pay change.

Redeposits and Deposits

When an employee works in a position subject to the Retirement Act, automatic deductions are made from the base salary and paid to the Retirement Fund. If the employee subsequently leaves Federal service and withdraws the money paid into the Fund, the withdrawal is called a refund. You can apply for a refund if you leave the Federal service and are at least 30 days from being eligible for an annuity. When an employee receives a refund, all rights to an annuity are are lost unless he/she later returns to Federal service in a position covered by the Retirement Act.

(a) Redeposit The money owed to the Retirement Fund for money previously refunded, plus interest, is called a redeposit. If, after returning to Federal employment, you decided not to pay the redeposit, the time covered by the refund is not counted when computing the annuity, although it is counted toward retirement eligibility. In order to obtain the maximum annuity for your retirement, it is advisable for you to pay any redeposits. The total redeposit will consist of the original amount refunded, plus 3% interest compounded annually to the date you retire.

(b) Deposit Some appointments in the Federal service, while creditable toward meeting basic retirement eligibility requirements, are not covered by the civil service Retirement Act, as for example, intermittent, temporary, and indefinite appointments. (Appointments covered by Social Security (F.I.C.A.)

instead of the retirement system.) A deposit is the amount of money that would have been withheld for retirement had the position been subject to the Retirement Act, plus interest. If a deposit is not paid, the annuity is reduced annually by one-tenth of the total amount due. This reduction is permanent. Because of the slight effect on the annuity, most employees choose not to make deposits. Payment or nonpayment of the deposit will not affect Social Security credit for the same time period.

Because the current interest rate is so low, only 3%, there is no financial advantage to making the deposit or redeposit prior to retirement. Normally, we recommend that the employee deposit the money in an interest-bearing (i.e., savings) account until retirement. You have options as to repayment; you make a lump sum payment or pay in installments of not less than $25. However, all payments must be completed prior to the receipt of the first annuity payment.

If you have either a deposit or a redeposit to make, the Employee Relations Section can, as part of its pre-retirement counseling service, estimate the amount(s) for you. If you are within 6 months of retirement, the OPM asks that you defer payment until you retire. At that point we will, as part of your application for retirement, advise the OPM of your intent to pay the deposit and/or redeposit. You will be billed by them or, if you so instruct, the money will be withheld from your initial "Special Payment" checks (see the Section on Annuity Checks).

Because it is so clearly to your advantage to make redeposits, the OPM will automatically notify you of any redeposit amount (assuming you have not already advised them of your intent to make the redeposit). However, they will not notify you of a deposit amount because relatively few persons find it econom-

ically advantageous to make such payments.

Effect of Cost of Living Increase on Annuity Computation

As explained later, Federal annuitants receive cost of living adjustments twice annually, on the first of March and September based on changes in the Consumer Price Index. The law currently in effect stipulates that no employee will retire with an annuity less than that which he would have received if he had retired just prior to the last COL adjustment. Consequently, when you retire, your annuity is computed twice; as of the day you retire, and as if you had retired the day before the most recent COL adjustment. You will receive the larger of the two computed annuities.

Voluntary Contribution

You can purchase an annuity greater than that to which you would normally be entitled by making voluntary contributions to the retirement system. Voluntary contributions are made directly to the OPM and cannot be deducted from your pay. The payment schedule is up to you, the only stipulation being that payments must be in multiples of $25. Total contributions cannot exceed 10% of the aggregate base pay earned while a civilian employee of the Federal government.

Voluntary contributions earn 3% interest compounded annually. Upon retirement, each $100 in contributions plus interest will yield you a $7 per year increase in your earned annuity, plus an additional $0.20 for each full year you are over the age of 55. The amount of annuity based on voluntary contributions is fixed and is not factored into the cost-of-living adjustments.

SECTION 3

ANNUITY ESTIMATE

As you begin to plan for retirement, you may want to make estimates of your annuity for various target dates. You may do this yourself or the Employee Relations Section can provide you with an estimate.

Your Estimate

The following procedure will yield a reasonably accurate annuity estimate:

1. First, estimate your "high-three" by adding the basic salary rates during the highest three years of your earnings and dividing by three. Remember, however, that "earnings" means the basic pay rate; overtime is not used to compute the high three. Wage grade employees can convert hourly rates to annual rates by multiplying the hourly rates by 2080.
2. Next, project your actual service time in years and months by subtracting your service computation date (SCD) from the month and year you plan to retire.
3. To the active service time add the months (and years) of accumulated sick leave at the rate of 176 hours equals one month. The result will be total creditable service.
4. Use the tables in Appendix A to estimate your annuity. Locate the column which contains the "thousands" in your high-three salary estimate and follow it down until it intersects the row containing your "years" of service. The line "A" figure of that block will be the annuity received if you decide not to provide your spouse with a survivorship annuity; the lower figure, Line B, is your annuity assuming you elect a survivorship annuity.

Employee Relations Estimate

As you begin to develop your retirement plans, you may want to discuss them with a member of the Employee Relations Section. As a minimum, you will want an accurate annuity estimate. In estimating annuities, we use a computer program which is essentially the same as that used by the OPM. In addition to your projected annuity estimate, the computer printout that we provide employees includes information on the spouse's survivorship annuity, the monthly deductions for health insurance, and estimates of any redeposit or deposit. To assist you in planning, annuity estimates can be provided for alternate dates.

In addition to annuity estimates, the Personnel Specialists in this office will be glad to answer any questions you may have concerning the retirement system and your benefits. All such inquiries are treated confidentially.

SECTION 4

RETIREMENT PROCEDURES

The procedures associated with normal (optional) retirement are straightforward and simple. Once you have made your decision on date of retirement, you need only do the following:

a) Notify Employee Relations

We will assist you in completing your retirement application.

The following information will be needed:

1. Discharge papers if you are a veteran.
2. Your spouse's Social Security number and date of birth.
3. The date and place of your marriage.
4. The birth dates of any dependent children.

b) Notify Your Supervisor

Your division must prepare a personnel action form (SF-52). Notifying your supervisor is the first step in the process.

It is customary to give at least two weeks notice, although additional lead time is appreciated. While the paperwork will not be submitted to the OPM until after you retire, advance notice will insure that all the preliminary work will be completed in order to expedite the processing of your retirement application.

SECTION 5

DEATH BENEFITS

Upon the death of a current Federal employee or annuitant, the civil service Retirement System provides benefits to the surviving widow/widower and any dependent children.

Death While Employed

If you should die while employed, your spouse is guaranteed a survivor annuity. He/She will receive the larger of the two figures determined by (a) and (b):

(a) 55% of your regular annuity computed on the basis of your "high-three" salary and length of service at the time of your death;

(b) 55% of the lesser of (1) 40% of your high-three average pay, or (2) your regular annuity computed by extending the service time to your 60th birthday.

In order for your survivor(s) to be eligible for survivor annuity benefits, you must have been employed under the Retirement System for at least 18 months. You and your spouse must have been married at least one year or have a

child born of the marriage.

If you are single and have no one entitled to a survivor annuity all your contribution to the retirement system, will be distributed as a lump sum to your beneficiaries.

Death of an Annuitant

As mentioned in Section 2, your spouse will receive a survivor annuity, but only if you elect this option at retirement; you cannot retroactively change your annuity type after retirement. However, if you have elected an annuity with a survivor benefit and your spouse dies, your annuity will be recomputed to provide you with the full earned annuity. If you subsequently remarry, you can provide for your new spouse if: (a) you originally elected a reduced annuity at retirement, and (b) you request the OPM to again reduce your annuity and submit a supporting copy of the marriage certificate.

Your spouse's annuity is a lifetime annuity unless he/she remarries before age 60. The amount of the annuity is 55% of your earned annuity before deductions for the health benefits and is increased by COL adjustments the same as any other annuitant receives. If you are unmarried and elect to name an individual with an insurable interest as your survivor, upon your death that individual will receive 55% of your reduced annuity.

Children's Annuity

Whether you are an employee or annuitant, any of your surviving children who are under 18 years of age and unmarried (or under the age of 22 if they are attending a recognized academic institution), or those who are incapable of self-support by virtue of mental or physical disabilities, are

eligible for their own annuity as a result of your death. The amount of the annuity for each child is the lesser of: (a) 60% of your average high-three years of salary divided by the number of eligible children, or (b) a fixed amount set by law for each child. (The current law provides $1886 for each child per year not to exceed a total allowance of $5658.) This assumes that your spouse survives you. If the children do not have a surviving parent, the annuity will be somewhat higher. The children's annuity, too, is subject to COL adjustment at the same percentage increase set for general annuity increases.

SECTION 6

MISCELLANEOUS

Money Matters

Final Payment from NASA

You will receive two checks from Lewis after you retire. The first will be a payroll check for that portion of the last pay period you were employed. It will be taxed at your normal rate. You will receive a second check which will represent any annual leave you have earned and not used. The amount is calculated by multiplying the number of hours by your hourly rate in effect the day you retire. It will include pay for any holiday which would happen to fall within the time period represented by extending your retirement date by the number of days of annual leave you have accumulated. This amount will be taxed at a flat 20%. Both will be mailed to the address where your pay checks are currently being sent (i.e., bank, home, etc.). Both will arrive from two to three weeks after you retire.

Annuity Checks

Due to backlog and workload considerations, it will probably take three or four months for the Office of Personnel Management to finally compute your official retirement annuity. To alleviate financial hardship during this period, OPM will place you in a special payments status where you will be issued monthly checks based on an estimate of your annuity. Since they use a conservative approach in the estimate, the monthly special payment checks are usually about 10 to 15% less than the actual earned annuity. You should receive your first annuity check in the special payment status about 6 to 8 weeks after you retire. All annuity checks are issued the first of each month.

When the OPM has completed its review and finally computed your annuity, you will receive a make-up payment with a summary of your "account" with them. The form they send to you will contain your official annuity figure, a breakdown of all monies owed and paid, and verification of your hospitalization and insurance policies if applicable. The form will also contain an identification number, which you will need to reference in all further contacts with the OPM. The number will be "CSA" followed by an eight digit number. This CSA number is assigned to you when your application is received and appears on your first Special Payment; it will be advantageous for you to make note of it at that time.

Method of Payment

You will be paid by check which will be sent directly to the address you designate at retirement. There is, however, an alternative which we recommend that you consider. Recently, the OPM has provided for an

automatic credit of your annuity check to your bank account. It is a safe, convenient, and reliable method. This arrangement will be between you, your bank, and the OPM. The bank will have the appropriate form (SF-1199A, Authorization for Deposit of Federal Recurring Payments) which you must complete and send to the OPM. While your check will be credited to your account, notification of any change in that check (i.e., COL adjustment) will be sent to your home. You can make arrangements for direct deposit anytime after you receive your first Special Payment check. (You will need your CSA account number which appears on that check.)

Annuity Cost-of-Living Increases

An outstanding feature of the civil service Retirement System is that the purchasing power of annuities is protected through cost-of-living (COL) increases as inflation occurs. Based on current law, there are two COL adjustments each year, on March 1 and September 1. The increase will show up in annuity checks received April 1 and October 1. The March increase will equal the percentage increase in the Consumer Price Index (CPI) for the preceding six month period ending in December. The September increase will be equal to the rise in the CPI from January through June. If the CPI decreases or does not rise in the six months prior to an increase date, annuities will not be adjusted.

Designation of Beneficiary - Order of Precedence

By Federal law, the following is the order in which your Federal Employees' Group Life Insurance, unpaid compensation and any lump sum payments due you will be distributed should you die while an employee of the Government:

a) to your surviving spouse

b) if none, to your surviving children equally;
c) if none, to your parent(s) equally;
d) if none, to the executor or administrator of your estate;
e) if none of the above, to your next of kin under the Laws of the State of Ohio (Appendix B).

If this order of distribution is satisfactory to you, you need not designate beneficiaries. However, if you wish any other distribution, you must so designate. The following examples illustrate how changing personal circumstances affect you and your beneficiaries:

a) A young single employee came to work for the Government and unnecessarily filed a designation naming his parents. Later, when he married, he failed to cancel the previous designation, or to file a new designation naming his wife. When he died, the insurance benefits were paid to his parents--probably not what he intended.

b) Joe and Sally had been legally separated for many years, but their divorce was not final. Joe was a Federal employee who had never filed a designation because, when he came to work, he was satisfied to have all survivor benefits paid to his bride. However, just before the divorce became final and as Joe was making second wedding plans, he died, and his estranged wife collected everything. Again, this is probably not what he intended.

Until a divorce is finalized, your spouse is still your spouse and is eligible for survivor benefits as your widow or widower. This means that, if you die as an employee, or as a retiree who elected an annuity with benefit to surviving spouse, your spouse would receive a monthly survivor annuity even if you were legally separated with intentions to divorce.

In some cases, it may save your survivors money, time, and trouble if you designate a beneficiary even if you are satisfied with the legal order of precedence (for instance, if you or your spouse have been married previously, or if you are divorced or widowed and some member of your family has custody of your minor child or children). In such cases, without a specific designation of beneficiary, it would be necessary for the survivor making the various claims to obtain and furnish certified court copies of all divorce papers, death certificates, marriage certificates, letters of guardianship, etc.

You need not name a sole beneficiary; you may name one or more beneficiaries by specifying the fractional part each is to receive; you may name alternate beneficiaries by adding the words "if living" following the name of your prime beneficiary and the words "otherwise to" preceding the name(s) of your alternate designee(s).

You may change prior designations at any time by preparing a new one (only the latest is valid), OR, you may cancel all designations. If you wish to designate beneficiaries or change the current designation, the Processing and Records Branch of the Personnel Division has the appropriate forms. The designation of beneficiary has no affect on survivorship benefits under the retirement system.

Health and Life Insurance Benefits

Health Benefits

You are eligible to continue your health insurance enrollment in retirement if you have 5 years of creditable service and have been enrolled in a health benefit plan during the last 5 years of service (or since the date of your most recent reemployment with the Government). The premium you pay as a retiree will be

identical with that of current employees except that it will be the monthly, rather than biweekly, rate. You may also change plans or options during Open Season in November. The premiums will be deducted from your annuity by the OPM. However, if, at the time of your retirement, you elect not to continue enrollment, you cannot later change your mind and re-enroll. Because of the implications for your family (and survivors), and because you might not be able to purchase private insurance, we suggest you carefully consider any decision to discontinue enrollment upon retirement.

Before leaving this subject, we want to point out that all U. S. citizens whether or not they are covered by Social Security, may purchase Medicare at age 65. Depending upon your hospitalization plan, you may find it economically advantageous to change health insurance plans or options when you enroll in Medicare (see Section 6, Social Security).

Federal Employees' Group Life Insurance (FEGLI)

If you have at least 5 years of creditable service, or are retiring for a disability, and are covered by FEGLI at retirement, you will continue to be covered for the remainder of your life (without the accidental death and dismemberment provision). The regular portion of FEGLI will be provided at no further cost to you. If you are also purchasing the optional portion, you may either continue to purchase it until age 65 (at which time it will be provided free) or you may choose to drop the optional portion only. Both regular and optional insurance will remain at the face value as of the time of your retirement until you reach your 65th birthday but, thereafter, will decrease 2% each month until they reach 25% of the face value. To compute the face value of

regular insurance, take your annual salary at the time of retirement to the next thousand, and add two thousand. Optional insurance is valued at ten thousand dollars.

NASA Group Life Insurance (Home Life) (NEBA)

Upon retirement you may convert this group coverage to a private individual policy; however, you lose the benefit of group rates. Our contract with Home Life requires the company to guarantee coverage if you wish to convert. Rates are competitive with other private insurers and information can be obtained by calling the Home Life agent.

Taxes: Federal/State/Local

The intent of this section is to call attention to your tax obligation during retirement. Because the tax laws are complicated and subject to modification annually, no attempt has been made to give specific guidance. All the taxing agencies will answer specific questions regarding their requirements and the Internal Revenue Service has published some booklets which will be helpful to you.

Federal Tax

1. Tax on Annuity

During the time you were working for the Government under the retirement system, deductions were being withheld from your earnings as contributions toward your retirement annuity. You were taxed on your gross earnings; i.e., before the deductions were withheld. Consequently, the total amount of your retirement contributions is considered non-taxable income as it is returned to you in monthly annuity payments. Normally it will take slightly more than one year to recover these contributions.

Once you recover your contribution, all further annuity payments are considered taxable income (there are exceptions for disability retirees and annuitants over 65 years of age). As such, you must either file a declaration of estimated tax directly with the Internal Revenue Service (for which they will bill you quarterly) or have an appropriate amount withheld from your monthly annuity payments. Upon your request, OPM will withhold an amount you specify but not less than $5.

2. Other Income

Regular earnings paid during the tax year you retire and other income earned from part-time jobs, investments, etc., is taxable income. For example, if you retire at the end of the final pay period of a tax year, you will receive your normal pay plus a payment for any earned annual leave in late January or early February, i.e., during the next tax year. This is considered taxable income for that (next) year even though for the balance of the year your sole source of income is the non-taxable annuity.

3. You Must File an Annual Income Statement

It is your responsibility to declare your sources of income annually. Consequently, you must file income tax forms (Federal and State) even though your annuity might be non-taxable. You will receive a withholding statement (W-2) from Lewis for any payments made during the tax year you retired (see paragraph 2 above) and a similar form (W-2PA) directly from the OPM for all annuity

payments. This latter statement will include the total amount of your retirement contributions at the beginning of the tax year, the amount returned to you in annuity payments, and the remaining balance, if any, of your (non-taxable) contribution.

State Income Tax

Ohio is similar to the Federal Government in its treatment of taxable income and uses the Adjusted Gross Income on the federal tax form as the base for computing State tax. As with the Federal tax, you must report your annuity even though it may be non-taxable and represent your sole source of income (see Items #1 and #2 in the Federal Tax Section). When your annuity does become taxable, you may deduct up to $4,000 (i.e., reduce the Federal Adjusted Gross Income figure) in arriving at the taxable income figure. Also, you may claim a tax credit if you are 65 years of age or older.

Local Income Tax

Under current Ohio law, retirement annuities are not subject to local income tax.

Social Security and Medicare

Social Security

Under present law, Federal employees can collect Social Security benefits (retirement) without affecting their Federal annuities, if they have earned the required calendar quarters of coverage under Social Security. To determine the number of quarters you will need, subtract 1951 from the year in which you will reach age 62 (the maximum number of quarters needed is 40).

However, if your spouse is covered by Social Security and you have not earned the required calendar quarters of coverage, your Social Security benefits as a dependent (or survivor) will be reduced by the amount of your civil service annuity. For many Lewis employees this means, under these circumstances, that the Social Security benefit would be eliminated.

Currently, a quarter of credit will be earned for each $250 of earnings up to a maximum of four quarters each calendar year. This means that you must earn at least $250 in one year to accumulate a quarter of credit but, by the same token, you have the entire calendar year to earn this credit. The Social Security Administration will adjust this figure yearly as the average wage rises.

If you do not know how many quarters of coverage you have, you can find out by writing:

Social Security Administration
P. O. Box 57
Baltimore, MD 21203

Give your full name, Social Security number, date of birth, and complete address. Sign the request and ask for a statement of your earnings and the number of quarters earned.

Beginning in 1979, the computation of benefits will be revised. Actual earnings for past years will be adjusted to take into account the acceleration of wages since 1951. The adjusted wages will be averaged and a formula will be applied to determine the benefit amount. The minimum benefit will be frozen at about $121 per month and will be adjusted to reflect cost of living increases once the benefits are being paid.

Full benefits are payable at age 65. However, you can elect to take a reduced benefit beginning at age 62. The reduction is permanent. In view of the complexities of the Social Security Act and the changes being considered by Congress, you would be well advised to discuss the advantages of a full versus reduced benefit payment with a Social Security representative.

Medicare

At age 65, you will be eligible to participate in Medicare. Medicare consists of two elements, hospitalization (Part A) and medical insurance (Part B). If you have sufficient quarters of coverage to receive Social Security benefits, the hospitalization part is provided at no cost; if you are not covered by Social Security, you may purchase hospitalization. The medical insurance part must be purchased regardless of Social Security status. It is, however, the more reasonable of the two coverages. You may choose either or both coverages. We emphasize, however, that you must apply. Coverage is not automatic and there is a penalty involved if you apply later than 90 days after your 65th birthday.

Hospitalization helps pay for hospital rooms, meals, drugs, lab tests and the like. The medical insurance helps pay for doctors' services, outpatient therapy, home health care and certain other services. Neither coverage pays for 100% of the costs; there is a deductible and time limitation involved in the hospitalization part, and the medical portion pays for 80% of the "reasonable" charges associated with physicians' services. However, Medicare is a good buy and Federal annuitants may find that they can carry a lower option Federal health plan by purchasing Medicare and thereby save money

on health insurance. The publication Your Medicare Handbook ($0.60) which can be purchased from Social Security is a good reference but specific questions should be directed to a Social Security representative.

Post-Retirement Employment

Your status as a Federal annuitant does not bar you from employment as a retiree. However, there are certain conditions which may affect your decision to accept employment. These are summarized below.

Private Sector

Annuitants employed by a non-Government employer can earn quarters toward Social Security coverage and their wages will not affect their annuity payments from the Government. You may accept any position which does not involve a clear conflict of interest with the position you held while a Government employee. These limitations on private sector employment are spelled our in the NASA Standards of Conduct Handbook NHB 1900.1 which has been distributed to all employees.

State or Local Government Employment

Employment in an appointive capacity with a local or state government is treated the same as employment in the private sector except that these governments normally are covered by their own retirement systems. Consequently, you will probably not earn credit toward Social Security coverage if you accept such employment.

Federal Government

The conditions under which you can be reemployed by the Federal government depend on what kind of retirement you have.

(1) If you retired voluntarily, including early voluntary (major RIF) retirement, you may be reemployed only on a temporary basis as a reemployed annuitant. Under this type of appointment, your annuity is continued and you may be paid only for the difference between your annuity and the salary for the position in which you are serving.

(2) If you retired involuntarily, on either a discontinued service retirement or as the result of a reduction in force, you are eligible to be reemployed on either a permanent or a temporary basis. If you return to a permanent position on a career or career conditional appointment, your annuity is terminated and you are treated for pay purposes as though you had never retired. If you are restored to a permanent position, in order to retire again you must meet all the eligibility requirements for retirement as determined by the law in effect at the time.

FINAL COMMENTS

In preparing this Guide, we have tried to cover the major elements of the retirement system - those areas which affect most Lewis employees. We hope that you found it useful. Questions on any of the material presented in this Guide should be referred to the Employee Relations Section. The personnel specialists in Employee Relations provide pre-retirement counseling services for employees of the Center and will be glad to answer any questions you have on the retirement system.

APPENDIX

A - Table of Monthly Annuity Rates

B - Distribution of Property Where No Will Is Left

C - Can I Afford To Retire?
(A comparison of current income and estimated annuity)

D - Bibliography

E - Retiree Associations/Publications

MONTHLY ANNUITY RATES

Years of Service (Includes Unused Sick Leave)		$4,000	$5,000	$6,000	$7,000	$8,000	$9,000	$10,000	$11,000	$12,000	$13,000	$14,000	$15,000	$16,000	$17,000	$18,000	$19,000	$20,000	$21,000	$22,000		Years of Service (Includes Unused Sick Leave)
5	A	$27	$31	$38	$44	$50	$56	$63	$69	$75	$81	$88	$94	$100	$106	$113	$119	$125	$131	$138	A	5
	B	26	30	37	43	49	55	61	67	73	79	85	91	98	104	110	116	122	128	134	B	
6	A	33	39	46	54	62	69	77	85	93	100	108	116	123	131	139	146	154	162	170	A	6
	B	32	38	45	53	60	68	75	83	90	98	105	113	120	128	135	143	150	158	165	B	
7	A	39	46	55	64	73	83	92	101	110	119	128	137	147	156	165	174	183	193	202	A	7
	B	38	45	54	63	71	80	89	98	107	116	125	134	143	152	161	170	179	188	197	B	
8	A	45	53	64	74	85	96	106	117	128	138	149	159	170	181	191	202	213	223	234	A	8
	B	43	52	62	73	83	93	104	114	124	135	145	155	166	176	186	197	207	218	228	B	
9	A	50	60	73	85	97	109	121	133	145	157	169	181	193	205	218	230	242	254	266	A	9
	B	49	59	71	82	94	106	118	130	141	153	165	177	189	200	212	224	236	247	259	B	
10	A	56	68	81	95	108	122	135	149	163	176	190	203	217	230	244	257	271	284	298	A	10
	B	55	66	79	92	106	119	132	145	158	172	185	198	211	224	238	251	264	277	290	B	
11	A	63	76	91	106	122	137	152	167	183	198	213	228	243	259	274	289	304	319	335	A	11
	B	61	74	89	104	119	133	148	163	178	193	208	222	237	252	267	282	296	310	324	B	
12	A	70	84	101	118	135	152	169	186	203	219	236	253	270	287	304	321	338	354	371	A	12
	B	68	82	99	115	132	148	165	181	197	214	230	247	263	280	296	311	326	341	357	B	
13	A	76	93	111	130	148	167	185	204	223	241	260	278	297	315	334	352	371	389	408	A	13
	B	74	90	108	127	145	163	181	199	217	235	253	271	289	306	323	340	356	373	390	B	
14	A	83	101	121	141	162	182	202	222	243	263	283	303	323	344	364	384	404	424	445	A	14
	B	81	98	118	138	158	177	197	217	236	256	276	295	314	332	350	368	386	404	423	B	
15	A	90	109	131	153	175	197	219	241	263	284	306	328	350	372	394	416	438	459	481	A	15
	B	87	107	128	149	171	192	213	235	256	277	298	318	338	357	377	397	416	436	456	B	
16	A	96	118	141	165	188	212	235	259	283	306	330	353	377	400	424	447	471	494	518	A	16
	B	94	115	138	161	184	207	230	252	275	298	319	340	362	383	404	425	446	467	489	B	
17	A	103	126	151	176	202	227	252	277	303	328	353	378	403	429	454	479	504	529	555	A	17
	B	100	123	147	172	197	221	246	270	295	317	340	363	386	408	431	454	476	499	522	B	
18	A	110	134	161	188	215	242	269	296	323	349	376	403	430	457	484	511	538	564	591	A	18
	B	107	131	157	183	210	236	262	288	313	337	361	385	410	434	458	482	506	530	555	B	
19	A	116	143	171	200	228	257	285	314	343	371	400	428	457	485	514	542	571	599	628	A	19
	B	113	139	167	195	223	250	278	305	331	356	382	408	434	459	485	511	536	562	588	B	
20	A	123	151	181	211	242	272	302	332	363	393	423	453	483	514	544	574	604	634	665	A	20
	B	120	147	177	206	236	265	294	322	349	376	403	430	458	485	512	539	566	593	621	B	
21	A	130	159	191	223	255	287	319	351	383	414	446	478	510	542	574	606	638	669	701	A	21
	B	126	155	186	218	249	280	309	338	367	395	424	453	482	510	539	568	596	625	654	B	
22	A	136	168	201	235	268	302	335	369	403	436	470	503	537	570	604	637	671	704	738	A	22
	B	133	164	196	229	262	294	324	355	385	415	445	475	506	536	566	596	626	656	687	B	
23	A	143	176	211	246	282	317	352	387	423	458	493	528	563	599	634	669	704	739	775	A	23
	B	139	172	206	240	275	308	339	371	403	434	466	498	530	561	593	625	656	688	720	B	

MONTHLY ANNUITY RATES—Continued

Years of Service (Includes Unused Sick Leave)		$23,000	$24,000	$25,000	$26,000	$27,000	$28,000	$29,000	$30,000	$31,000	$32,000	$33,000	$34,000	$35,000	$36,000	$37,000	$38,000	$39,000	$40,000		Years of Service (Includes Unused Sick Leave)
5	A	$144	$150	$156	$163	$169	$175	$181	$188	$194	$200	$206	$213	$219	$225	$231	$238	$244	$250	A	5
	B	140	146	152	158	165	171	177	183	189	195	201	207	213	219	225	232	238	244	B	
6	A	177	185	193	200	208	216	224	231	239	247	254	262	270	278	285	293	301	308	A	6
	B	173	180	188	195	203	210	218	225	233	241	248	256	263	271	278	286	293	300	B	
7	A	211	220	229	238	248	257	266	275	284	293	303	312	321	330	339	348	358	367	A	7
	B	206	215	223	232	241	250	259	268	277	286	295	303	311	320	328	336	344	353	B	
8	A	244	255	266	276	287	298	308	319	329	340	351	361	372	383	393	404	414	425	A	8
	B	238	249	259	269	280	290	300	309	319	329	338	348	357	367	376	386	395	405	B	
9	A	278	290	302	314	326	338	350	363	375	387	399	411	423	435	447	459	471	483	A	9
	B	271	283	294	305	316	327	338	349	360	371	381	392	403	414	425	436	447	458	B	
10	A	311	325	339	352	366	379	393	406	420	433	447	460	474	488	501	515	528	542	A	10
	B	303	315	327	339	352	364	376	388	400	413	425	437	449	461	473	486	498	510	B	
11	A	350	365	380	395	411	426	441	456	471	487	502	517	532	548	563	578	593	608	A	11
	B	337	351	365	378	392	406	419	433	447	461	474	488	502	515	529	543	556	570	B	
12	A	388	405	422	439	456	473	489	506	523	540	557	574	591	608	624	641	658	675	A	12
	B	372	387	402	417	433	448	463	478	493	509	524	539	554	569	584	600	615	630	B	
13	A	426	445	464	482	501	519	538	556	575	593	612	630	649	668	686	705	723	742	A	13
	B	406	423	440	456	473	490	506	523	540	557	573	590	607	623	640	657	673	690	B	
14	A	465	485	505	525	546	566	586	606	626	647	667	687	707	728	748	768	788	808	A	14
	B	441	459	477	495	514	532	550	568	586	605	623	641	659	677	695	714	732	750	B	
15	A	503	525	547	569	591	613	634	656	678	700	722	744	766	788	809	831	853	875	A	15
	B	475	495	515	534	554	574	593	613	633	653	672	692	712	731	751	771	790	810	B	
16	A	541	565	589	612	636	659	683	706	730	753	777	800	824	848	871	895	918	942	A	16
	B	510	531	552	573	595	616	637	658	679	701	722	743	764	785	806	828	849	870	B	
17	A	580	605	630	655	681	706	731	756	781	807	832	857	882	908	933	958	983	1,008	A	17
	B	544	567	590	612	635	658	680	703	726	749	771	794	817	839	862	885	907	930	B	
18	A	618	645	672	699	726	753	779	806	833	860	887	914	941	968	994	1,021	1,048	1,075	A	18
	B	579	603	627	651	676	700	724	748	772	797	821	845	869	893	917	942	966	990	B	
19	A	656	685	714	742	771	799	828	856	885	913	942	970	999	1,028	1,056	1,085	1,113	1,142	A	19
	B	613	639	665	690	716	742	767	793	819	845	870	896	922	947	973	999	1,024	1,050	B	
20	A	695	725	755	785	816	846	876	906	936	967	997	1,027	1,057	1,088	1,118	1,148	1,178	1,208	A	20
	B	648	675	702	729	757	784	811	838	865	893	920	947	974	1,001	1,028	1,056	1,083	1,110	B	
21	A	733	765	797	829	861	893	924	956	988	1,020	1,052	1,084	1,116	1,148	1,179	1,211	1,243	1,275	A	21
	B	682	711	740	768	797	826	854	883	912	941	969	998	1,027	1,055	1,084	1,113	1,141	1,170	B	
22	A	771	805	839	872	906	939	973	1,006	1,040	1,073	1,107	1,140	1,174	1,208	1,241	1,275	1,308	1,342	A	22
	B	717	747	777	807	838	868	898	928	958	989	1,019	1,049	1,079	1,109	1,139	1,170	1,200	1,230	B	
23	A	810	845	880	915	951	986	1,021	1,056	1,091	1,127	1,162	1,197	1,232	1,268	1,303	1,338	1,373	1,408	A	23
	B	751	783	815	846	878	910	941	973	1,005	1,037	1,068	1,100	1,132	1,163	1,195	1,227	1,258	1,290	B	

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MONTHLY ANNUITY RATES—Continued

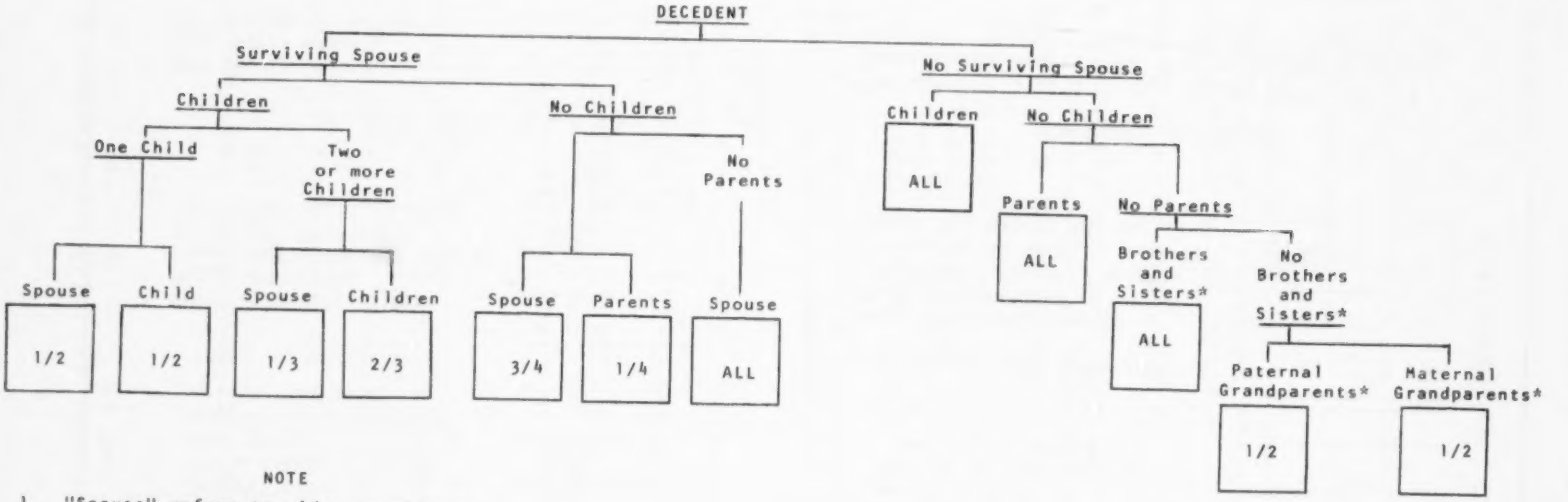
Years of Service (Includes Unused Sick Leave)		$4,000	$5,000	$6,000	$7,000	$8,000	$9,000	$10,000	$11,000	$12,000	$13,000	$14,000	$15,000	$16,000	$17,000	$18,000	$19,000	$20,000	$21,000	$22,000		Years of Service (Includes Unused Sick Leave)
24	A	$150	$184	$221	$258	$295	$332	$369	$406	$443	$479	$516	$553	$590	$627	$664	$701	$738	$774	$811	A	24
	B	146	180	216	252	288	321	354	388	421	454	487	520	554	587	620	653	686	719	753	B	
25	A	156	193	231	270	308	347	385	424	463	501	540	578	617	655	694	732	771	809	848	A	25
	B	152	188	225	263	300	335	369	404	439	473	508	543	578	612	647	682	716	751	786	B	
26	A	163	201	241	281	322	362	402	442	483	523	563	603	643	684	724	764	804	844	885	A	26
	B	159	196	235	274	312	348	384	421	457	493	529	565	602	638	674	710	746	782	819	B	
27	A	170	209	251	293	335	377	419	461	503	544	586	628	670	712	754	796	838	879	921	A	27
	B	165	204	245	286	324	362	399	437	475	512	550	588	626	663	701	739	776	814	852	B	
28	A	176	218	261	305	348	392	435	479	523	566	610	653	697	740	784	827	871	914	958	A	28
	B	172	212	255	297	336	375	414	454	493	532	571	610	650	689	728	767	806	845	885	B	
29	A	183	226	271	316	362	407	452	497	543	588	633	678	723	769	814	859	904	949	995	A	29
	B	178	220	264	307	348	389	429	470	511	551	592	633	674	714	755	796	836	877	918	B	
30	A	190	234	281	328	375	422	469	516	563	609	656	703	750	797	844	891	938	984	1,031	A	30
	B	185	229	274	318	360	402	444	487	529	571	613	655	698	740	782	824	866	908	951	B	
31	A	196	243	291	340	388	437	485	534	583	631	680	728	777	825	874	922	971	1,019	1,068	A	31
	B	191	237	284	328	372	416	459	503	547	590	634	678	722	765	809	853	896	940	984	B	
32	A	203	251	301	351	402	452	502	552	603	653	703	753	803	854	904	954	1,004	1,054	1,105	A	32
	B	198	245	294	339	384	429	474	520	565	610	655	700	746	791	836	881	926	971	1,017	B	
33	A	210	259	311	363	415	467	519	571	623	674	726	778	830	882	934	986	1,038	1,089	1,141	A	33
	B	204	253	303	349	396	443	489	536	583	629	676	723	770	816	863	910	956	1,003	1,050	B	
34	A	216	268	321	375	428	482	535	589	643	696	750	803	857	910	964	1,017	1,071	1,124	1,178	A	34
	B	211	261	312	360	408	456	504	553	601	649	697	745	794	842	890	938	986	1,034	1,083	B	
35	A	223	276	331	386	442	497	552	607	663	718	773	828	883	939	994	1,049	1,104	1,159	1,215	A	35
	B	217	269	321	370	420	470	519	569	619	668	718	768	818	867	917	967	1,016	1,066	1,116	B	
36	A	230	284	341	398	455	512	569	626	683	739	796	853	910	967	1,024	1,081	1,138	1,194	1,251	A	36
	B	224	277	330	381	432	483	534	586	637	688	739	790	842	893	944	995	1,046	1,097	1,149	B	
37	A	236	293	351	410	468	527	585	644	703	761	820	878	937	995	1,054	1,112	1,171	1,229	1,288	A	37
	B	230	285	339	391	444	497	549	602	655	707	760	813	866	918	971	1,024	1,076	1,129	1,182	B	
38	A	243	301	361	421	482	542	602	662	723	783	843	903	963	1,024	1,084	1,144	1,204	1,264	1,325	A	38
	B	237	293	348	402	456	510	564	619	673	727	781	835	890	944	998	1,052	1,106	1,160	1,215	B	
39	A	250	309	371	433	495	557	619	681	743	804	866	928	990	1,052	1,114	1,176	1,238	1,299	1,361	A	39
	B	243	301	357	412	468	524	579	635	691	746	802	858	914	969	1,025	1,081	1,136	1,192	1,248	B	
40	A	256	318	381	445	508	572	635	699	763	826	890	953	1,017	1,080	1,144	1,207	1,271	1,334	1,398	A	40
	B	250	308	366	423	480	537	594	652	709	766	823	880	938	995	1,052	1,109	1,166	1,223	1,281	B	
41	A	263	326	391	456	522	587	652	717	783	848	913	978	1,043	1,109	1,174	1,239	1,304	1,369	1,435	A	41
	B	256	316	375	433	492	551	609	668	727	785	844	903	962	1,020	1,079	1,138	1,196	1,255	1,314	B	
41-11 & over	A	267	333	400	467	533	600	667	733	800	867	933	1,000	1,067	1,133	1,200	1,267	1,333	1,400	1,467	A	41-11 & over
	B	260	323	383	443	503	563	623	683	743	803	863	923	983	1,043	1,103	1,163	1,223	1,283	1,343	B	

Years of Service (Includes Unused Sick Leave)		$23,000	$24,000	$25,000	$26,000	$27,000	$28,000	$29,000	$30,000	$31,000	$32,000	$33,000	$34,000	$35,000	$36,000	$37,000	$38,000	$39,000	$40,000		Years of Service (Includes Unused Sick Leave)
24	A	$848	$885	$922	$959	$996	$1,033	$1,069	$1,106	$1,143	$1,180	$1,217	$1,254	$1,291	$1,328	$1,364	$1,401	$1,438	$1,475	A	24
	B	786	819	852	885	919	952	985	1,018	1,051	1,085	1,118	1,151	1,184	1,217	1,250	1,284	1,317	1,350	B	
25	A	886	925	964	1,002	1,041	1,079	1,118	1,156	1,195	1,233	1,272	1,310	1,349	1,388	1,426	1,465	1,503	1,542	A	25
	B	820	855	890	924	959	994	1,028	1,063	1,098	1,133	1,167	1,202	1,237	1,271	1,306	1,341	1,375	1,410	B	
26	A	925	965	1,005	1,045	1,086	1,126	1,166	1,206	1,246	1,287	1,327	1,367	1,407	1,448	1,488	1,528	1,568	1,608	A	26
	B	855	891	927	963	1,000	1,036	1,072	1,108	1,144	1,181	1,217	1,253	1,289	1,325	1,361	1,398	1,434	1,470	B	
27	A	963	1,005	1,047	1,089	1,131	1,173	1,214	1,256	1,298	1,340	1,382	1,424	1,466	1,508	1,549	1,591	1,633	1,675	A	27
	B	889	927	965	1,002	1,040	1,078	1,115	1,153	1,191	1,229	1,266	1,304	1,342	1,379	1,417	1,455	1,492	1,530	B	
28	A	1,001	1,045	1,089	1,132	1,176	1,219	1,263	1,306	1,350	1,393	1,437	1,480	1,524	1,568	1,611	1,655	1,698	1,742	A	28
	B	924	963	1,002	1,041	1,081	1,120	1,159	1,198	1,237	1,277	1,316	1,355	1,394	1,433	1,472	1,512	1,551	1,590	B	
29	A	1,040	1,085	1,130	1,175	1,221	1,266	1,311	1,356	1,401	1,447	1,492	1,537	1,582	1,628	1,673	1,718	1,763	1,808	A	29
	B	958	999	1,040	1,080	1,121	1,162	1,202	1,243	1,284	1,325	1,365	1,406	1,447	1,487	1,528	1,569	1,609	1,650	B	
30	A	1,078	1,125	1,172	1,219	1,266	1,313	1,359	1,406	1,453	1,500	1,547	1,594	1,641	1,688	1,734	1,781	1,828	1,875	A	30
	B	993	1,035	1,077	1,119	1,162	1,204	1,246	1,288	1,330	1,373	1,415	1,457	1,499	1,541	1,583	1,626	1,668	1,710	B	
31	A	1,116	1,165	1,214	1,262	1,311	1,359	1,408	1,456	1,505	1,553	1,602	1,650	1,699	1,748	1,796	1,845	1,893	1,942	A	31
	B	1,027	1,071	1,115	1,158	1,202	1,246	1,289	1,333	1,377	1,421	1,464	1,508	1,552	1,595	1,639	1,683	1,726	1,770	B	
32	A	1,155	1,205	1,255	1,305	1,356	1,406	1,456	1,506	1,556	1,607	1,657	1,707	1,757	1,808	1,858	1,908	1,958	2,008	A	32
	B	1,062	1,107	1,152	1,197	1,243	1,288	1,333	1,378	1,423	1,469	1,514	1,559	1,604	1,649	1,694	1,740	1,785	1,830	B	
33	A	1,193	1,245	1,297	1,349	1,401	1,453	1,504	1,556	1,608	1,660	1,712	1,764	1,816	1,868	1,919	1,971	2,023	2,075	A	33
	B	1,096	1,143	1,190	1,236	1,283	1,330	1,376	1,423	1,470	1,517	1,563	1,610	1,657	1,703	1,750	1,797	1,843	1,890	B	
34	A	1,231	1,285	1,339	1,392	1,446	1,499	1,553	1,606	1,660	1,713	1,767	1,820	1,874	1,928	1,981	2,035	2,088	2,142	A	34
	B	1,131	1,179	1,227	1,275	1,324	1,372	1,420	1,468	1,516	1,565	1,613	1,661	1,709	1,757	1,805	1,854	1,902	1,950	B	
35	A	1,270	1,325	1,380	1,435	1,491	1,546	1,601	1,656	1,711	1,767	1,822	1,877	1,932	1,988	2,043	2,098	2,153	2,208	A	35
	B	1,165	1,215	1,265	1,314	1,364	1,414	1,463	1,513	1,563	1,613	1,662	1,712	1,762	1,811	1,861	1,911	1,960	2,010	B	
36	A	1,308	1,365	1,422	1,479	1,536	1,593	1,649	1,706	1,763	1,820	1,877	1,934	1,991	2,048	2,104	2,161	2,218	2,275	A	36
	B	1,200	1,251	1,302	1,353	1,405	1,456	1,507	1,558	1,609	1,661	1,712	1,763	1,814	1,865	1,916	1,968	2,019	2,070	B	
37	A	1,346	1,405	1,464	1,522	1,581	1,639	1,698	1,756	1,815	1,873	1,932	1,990	2,049	2,108	2,166	2,225	2,283	2,342	A	37
	B	1,234	1,287	1,340	1,392	1,445	1,498	1,550	1,603	1,656	1,709	1,761	1,814	1,867	1,919	1,972	2,025	2,077	2,130	B	
38	A	1,385	1,445	1,505	1,565	1,626	1,686	1,746	1,806	1,866	1,927	1,987	2,047	2,107	2,168	2,228	2,288	2,348	2,408	A	38
	B	1,269	1,323	1,377	1,431	1,486	1,540	1,594	1,648	1,702	1,757	1,811	1,865	1,919	1,973	2,027	2,082	2,136	2,190	B	
39	A	1,423	1,485	1,547	1,609	1,671	1,733	1,794	1,856	1,918	1,980	2,042	2,104	2,166	2,228	2,289	2,351	2,413	2,475	A	39
	B	1,303	1,359	1,415	1,470	1,526	1,582	1,637	1,693	1,749	1,805	1,860	1,916	1,972	2,027	2,083	2,139	2,194	2,250	B	
40	A	1,461	1,525	1,589	1,652	1,716	1,779	1,843	1,906	1,970	2,033	2,097	2,160	2,224	2,288	2,351	2,415	2,478	2,542	A	40
	B	1,338	1,395	1,452	1,509	1,567	1,624	1,681	1,738	1,795	1,853	1,910	1,967	2,024	2,081	2,138	2,196	2,253	2,310	B	
41	A	1,500	1,565	1,630	1,695	1,761	1,826	1,891	1,956	2,021	2,087	2,152	2,217	2,282	2,348	2,413	2,478	2,543	2,608	A	41
	B	1,372	1,431	1,490	1,548	1,607	1,666	1,724	1,783	1,842	1,901	1,959	2,018	2,077	2,135	2,194	2,253	2,311	2,370	B	
41-11 & over	A	1,533	1,600	1,667	1,733	1,800	1,867	1,933	2,000	2,067	2,133	2,200	2,267	2,333	2,400	2,467	2,533	2,600	2,667	A	41-11 & over
	B	1,403	1,463	1,523	1,583	1,643	1,703	1,763	1,823	1,883	1,943	2,003	2,063	2,123	2,183	2,243	2,303	2,363	2,423	B	

APPENDIX B

DISTRIBUTION OF PROPERTY WHERE NO WILL IS LEFT

Source: Ohio State Revised Code, Sect. 2105.06



NOTE

1. "Spouse" refers to widow or widower.
2. "Brothers and Sisters" include full and half blood.
3. If a child, brother, sister of stepchild is deceased, their descendants take their share.
4. If one parent or grandparent is deceased, entire share is taken by surviving parent or grandparent.
5. "Property" includes personal and real property.

*If deceased, inheritance will go to their descendants by representation. (Those living take their parents' share in the line of decent.)

If no grandparents* on one side then ALL to grandparents* on the other side.

If no grandparents* ALL to next of kin however remote in relationship.

If none, ALL to stepchildren*.

If none, ALL to the State of Ohio.

CAN I AFFORD TO RETIRE ?

(A comparison of current income and estimated annuity)

I. INCOME

(Use bi-weekly earnings record. See sample)

ANNUAL SALARY	
GROSS BI-WEEKLY SALARY	
DEDUCTIONS:	
Federal taxes	
State taxes	
Retirement	
Regular life insurance	
Health insurance	
Total	
Gross Bi-Weekly Salary	
Minus Deductions	-
Equals Net Bi-Weekly Salary	
Divided By 80 Hours	÷ 80
Equals Net Hourly Salary	

II. ANNUITY

(Use Civil Service annuity charts or estimate from Retirement Counselor.)

ANNUAL ANNUITY	
BI-WEEKLY ANNUITY (divide by 26)*	
DEDUCTIONS:	
Health insurance	
Cost of maximum survivor annuity to spouse	
Total	
FREE Regular Life Insurance	
Gross Bi-Weekly Annuity	
Minus Deductions**	-
Equals Net Bi-Weekly Annuity	
Divided By 80 Hours	÷ 80
Equals Net Hourly Annuity	

III. COMPARISON

Net Hourly Salary	
Net Hourly Annuity	
Current Hourly Salary*	

*This difference between what you earn when you work and what you would get if you did not, may be called your true current salary.

Footnotes on Annuity

*The annuity is paid monthly by the Civil Service Commission. Annuity charts give estimated monthly annuity. Bi-weekly rate is 46.15% of monthly rate.

**This comparison is valid ONLY until the annuity is subject to taxation, usually 12 to 16 months after retirement. After that time, deductions must include federal and state taxes.

APPENDIX D

BIBLIOGRAPHY

This bibliography includes some items available from the Government Printing Office (GPO). Request for GPO material should be addressed to:

Superintendent of Documents
Government Printing Office
Washington, DC 20402

Give the title and the GPO number, if known.

Items offered by the National Retired Teacher's Association/American Association of Retired Persons (NRTA/AARP) can be ordered by writing to:

NRTA/AARP
1909 K Street, N.W.
Washington, DC 20049
(Telephone: 202-872-4700)

For material published by the National Association of Retired Federal Employees (NARFE), write to:

NARFE
1533 New Hampshire Avenue, N.W.
Washington, DC 20036
(Telephone: 202-234-0832)

Retirement, Patterns and Predictions: 149 pp; cost; $1.75; stock no. 1724-00388; HEW Pub. No. (ADM)74-49; printed 1975; published by National Institute of Mental Health.

Legal

"Advise and Represent"; 24 pp; Consumer Survival Kit, cost: $1.00; allow 3-4 weeks for delivery; Consumer Survival Kit, P.O. Box 1977, Owings Mills, MD 21117.

"Legal Aspects of Planning"; 16 pp; published by NARFE.

"You, the Law and Retirement"; 36 pp; cost: 70¢; published by HEW; HEW Pub. No. OHD7520800; GPO 017062000034.

Money

"A Discussion of Family Money"; 24 pp; published by Institute of Life Insurance, 277 Park Avenue, New York, NY 10017.

"Your Retirement -- A Discussion of Your Financial Resources"; 20 pp; basic principles, case studies, illustrations of money management to prepare for and use during retirement; published by Institute of Life Insurance, March, 1969.

Planning

"Begin Now to Enjoy Tomorrow"; 58 pp; published by Mutual Benefit Life Insurance Company; 1968; Box 520, Newark, NJ 07101.

"Planning for Your Successful Retirement"; 20 pp; from Retirement Life Magazine, 150 E. 58th Street, New York, NY 10022.

"Planning for the Later Years"; 51 pp; cost: 35¢; published by HEW.

"Retirement Planning Checklist"; questions to ask yourself on health, finances, family relationships, leisure time, taxes, etc.; published by U.S. Dept. of Agriculture; Pub. No. AD303770.

"Your Guide to Federal Retirement"; 18 pp; published by NARFE.

"The Complete Guide to Retirement"; 221 pp; by Thomas Collins; Prentice-Hall, Inc.

"Are You Planning on Living the Rest of Your Life/"; 70 pp; GPO; Adm. on Aging No. 803.

Social Security Literature

The following are published by HEW and are available from the Social Security Administration and local SSA offices:

1. Your Social Security
2. Estimating Your Social Security Check
3. If You're Self-Employed . . . Reporting Your Income for Social Security
4. You Can Work and Still Receive Social Security Checks
5. If You Become Disabled
6. The Woman's Guide to Social Security
7. Your Medicare Handbook
8. Social Security Credits -- How You Earn Them
9. Social Security Benefits for Widowed Fathers

Taxes

"Tax Withholding and Declaration of Estimated Tax"; IRS Pub. No. 505; free from IRS

"Tax Information on Disability Payments"; IRS Pub. No. 522; IRS.

"Tax Credit for the Elderly"; IRS Pub. No. 524; IRS.

"Tax Information on Pension and Annuity Income"; IRS Pub. No. 575; IRS.

"Tax Information on U.S. Civil Service Retirement and Disability Retirement"; 12 pp; cost: 35¢; IRS Pub. No. 567; GPO No. 048004013681.

"Comprehensive Tax Guide to U.S. Civil Service Retirement Benefits"; cost; $1.65; IRS Pub. No. 721; GPO.

"Tax Facts"; 73 pp; free from NRTA/AARP.

"Your Retirement Income Tax Guide"; 46 pp; a book written especially for older citizens to assist them in preparing tax returns; NRTA/AARP.

APPENDIX E

RETIREE ASSOCIATIONS/PUBLICATIONS

Among the organizations offering membership to retired federal employees are:

- National Association of Retired Federal Employees (NARFE)
  1533 New Hampshire Avenue, N.W.
  Washington, DC 20036
  (Telephone: 202-234-0832)
  Annual dues: $5.00
  Publication: Retirement Life

- American Association for Retired Persons (AARP)
  1909 K Street, N.W.
  Washington, DC 20049
  (Telephone: 202-872-4700)
  Annual dues: $21.00

In addition to the above associations whose publications are included in the membership dues, we feel the following publication is an excellent value:

- Retirement Living
  150 East 58th Street
  New York, NY 10022
  Cost: $7.95 annually

best copy available

☆ U. S. GOVERNMENT PRINTING OFFICE: 1979-657-059/1223 Region No. 5-11